

# Attachment K

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## Creating and Designing the State Plan on Aging

In order to effectively create and design this State Plan on Aging, the Department sought comments and requested input and feedback from a multitude of sources including internal and external customers and key stakeholders such as government agencies, long term care providers, home and community-based services providers, legislators, consumers, Tribal offices, the Advisory Council on Aging, the South Dakota Health Care Association, the South Dakota Association of Healthcare Organizations, the Assisted Living Association of South Dakota, the American Association of Retired Persons, and the South Dakota Nutrition Association. The input and feedback described below was instrumental in formulating the State Plan on Aging.

## Long Term Care Task Force

The Department convened an ~~internal workgroup~~ Long Term Care Task Force consisting of the Director and Deputy Director of the Division of Long Term Services and Supports, as well as, Program Specialists who are responsible for providing technical assistance to regional staff to ensure programs within Division of Long Term Services and Supports operate within set standards and that services are delivered effectively and efficiently across the state. Additionally, regional Long Term Services and Supports' Specialists across the state, who work closely with elderly South Dakotans and adults with disabilities providing intake, information and assistance, options planning, and case management services. Supervisors and Regional Managers who provide leadership and oversee the work of the Specialists also provided input and feedback regarding ways the State of South Dakota can fulfill the needs of older South Dakotans and adults with disabilities.

## Advisory Council on Aging

Recommendations from various workgroups, the State Plan goals, objectives and strategies and the guidelines for use in developing and submitting the State Plan requirements were shared in detail with members of the Advisory Council on Aging. Recommendations received from Council members have been incorporated into the State Plan on Aging. The Advisory Council on Aging unanimously approved and expressed appreciation for the direction the State is taking in order to best meet the needs of South Dakota's elderly population. Information about the meetings is posted online as well as in locations where meetings are held prior to each meeting and the public is welcome to attend and provide comments and recommendations for future planning. Advisory Council on Aging members represents the Council as workgroup members of other key stakeholder initiatives.

## AoA On-Site Review

South Dakota continues to participate in on-site reviews conducted by the regional office of the Administration on Aging, a unit within the Administration for Community Living, to discuss ongoing status of progress towards accomplishing goals and objectives in the State Plan on Aging. This review helps shape South Dakota's vision for the four year period of October 1, 2017 through September 30, 2021.

### **Outreach Events**

The Division of Long Term Services and Supports continues to utilize outreach events as a novel approach to reaching rural individuals to discuss resident rights, elder protection, and services and programs available through the Aging and Disability Resource Connections, including core services of the Title III program. Additionally, representatives from the Senior Health Information and Insurance Education (SHIINE) program were available to discuss benefits related to Medicare services including information regarding Medicare fraud through the Senior Medicare Patrol (SMP). Outreach event locations are targeted at congregate nutrition sites in rural areas of South Dakota, including sites on Native American reservations. These outreach events continue to be well-received and instrumental in raising awareness and education to South Dakota citizens of all ages. Registration cards were provided at each event to get input from participants about their future needs.

### **Medicaid Solutions Workgroup**

The Medicaid Solutions Workgroup, established by Governor Daugaard during the 2011 Legislative Session, solicited key stakeholder input to develop strategies to contain and control Medicaid costs while maintaining quality services for recipients. Since the release of the final report, the State of South Dakota has made significant progress towards completing the recommendations. One of the workgroups recommendations was to implement a “Health Home” initiative for Medicaid enrollees. The Health Home program was implemented in July 2013, and has demonstrated that person centered case management is an effective care management tool. Over 6,000 recipients have enrolled. Health Home providers have expressed that they are providing their person centered case management practices to other patients within their practice. Another recommendation of the Medicaid Solutions Workgroup was to evaluate the Money Follows the Person (MFP) option. MFP was implemented in July 2014, and has received 34 referrals of which nine individuals have transitioned from either a nursing facility or from the South Dakota Developmental Center in Redfield. Of those, nine individuals were eligible and transitioned into the community. Referrals continue to be received and evaluated by the MFP Coordinator. Additionally, the Medicaid Solutions Workgroup recommended the State implement a Durable Medical Equipment Recycling Program. A Request for Proposals was published in January 2015 to secure a vendor to warehouse, refurbish, clean and distribute the used durable medical equipment for Medicaid recipient use. In addition, a software package was identified to be utilized by the vendor for inventory tracking purposes, and program reporting.

### **HCBS Statewide Transition Plan**

On January 16, 2014, the Centers for Medicare and Medicaid Services (CMS) released a final rule regarding Home and Community-Based Services (HCBS) Setting requirements. The intent of the final rule is to ensure individuals in Medicaid's HCBS waiver programs receive services and supports in the most integrated setting and have full access to the benefits of community living. The Department of Social Services and the Department of Human Services worked collaboratively to review the final rule. Per the requirements of the final rule, South Dakota Medicaid developed a transition plan for HCBS settings in South Dakota to be approved by the Centers for Medicare and Medicaid Services (CMS). South Dakota's original Home and Community Based Statewide Transition Plan was submitted to CMS on March 12, 2015. A Revised Statewide Transition Plan was submitted to CMS on April 6, 2016. The State of South Dakota continues to build a strong partnership with providers and is working closely with CMS and key stakeholders to ensure a smooth transition and continued compliance with the HCBS Settings Final Rule. The State of South Dakota continues to host webinars to educate assisted living providers about expectations and compliance with the final rule to ensure individuals served by Medicaid receive services in the most integrated setting and have full access to the

benefits of the community. The State of South Dakota's "*HCBS Statewide Transition Plan*" is located in Attachment L

### **AARP Scorecard**

In June 2014, the American Association of Retired People (AARP) released a state-by-state Long-Term Services and Supports Scorecard in follow-up to the initial scorecard AARP released in 2011. South Dakota's ranking was slightly higher than the previous scorecard. The AARP Scorecard showed that the percent of adults with disabilities in South Dakota communities are satisfied or very satisfied with life and as such, the state of South Dakota ranked very high in the areas of Quality of Life and Quality of Care. South Dakota's rate of employment for adults with disabilities was also rated very high. Additionally, 64.5% of family caregivers in South Dakota reported they were without much worry or stress, with enough time and well-rested, ranking South Dakota fourth in the U.S. South Dakota ranks second in the U.S. for private long-term care insurance policies in effect per 1,000 population age 40+. The report stated, "Our state has always prided itself in taking care of others and these scores prove that commitment yet again." According to the 2014 AARP Long-Term Services and Supports Scorecard, the State of South Dakota ranked low in the areas of Affordability and Access which in part is a challenge because of our geographically big state with a small population. The areas the Scorecard highlighted for improvement include:

- More low/moderate income adults with ADL disabilities would be covered by Medicaid;
- More new users of Medicaid Long-Term Services and Supports would first receive services in the community;
- More nursing home residents with low care needs would instead receive Long-Term Services and Supports in the community;
- More people entering nursing homes would be able to return to the community within 100 days; and
- More people who have been in a nursing home for 90 days or more would be able to move back to the community.

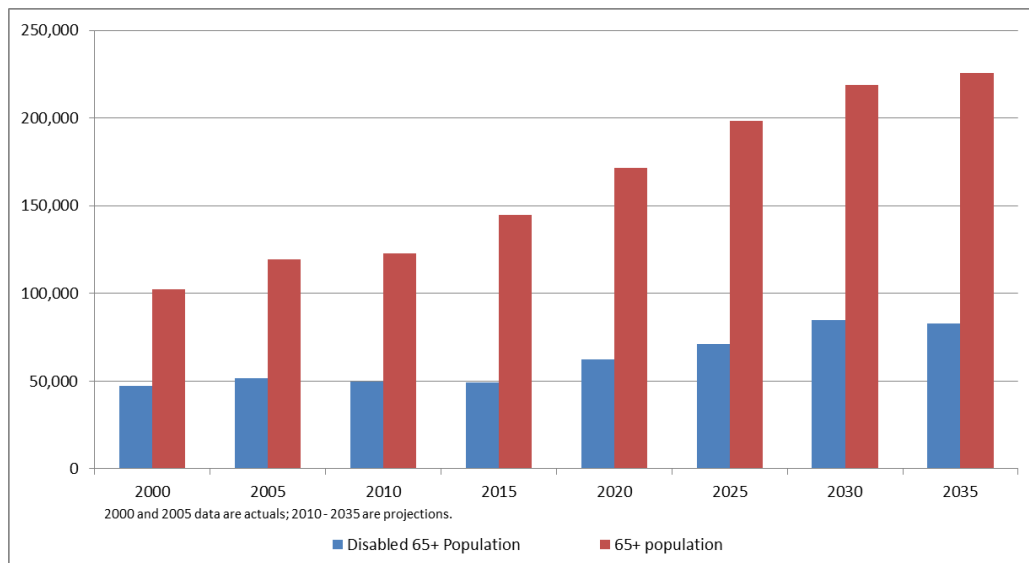
The AARP "*South Dakota: 2014 State Long-Term Services and Supports Scorecard Results*" Fact Sheet can be found in Attachment H

### **Updated Long Term Care Study 2015**

In 2015, Abt Associates of Cambridge, Massachusetts was contracted by the State of South Dakota to update the findings of their original 2007 evaluation of long term care options for South Dakota. The 2015 report includes up-to-date data collected since the release of the 2007 report when Abt Associates was originally commissioned by the Department of Social Services to assess and evaluate the State's long term care system. The following tasks were performed using up-to-date data collected since the release of the prior report: 1) updating demographic trend challenges; 2) updating service delivery challenges; and 3) projecting future demand for long term care services.

In the 2007 report, Abt Associates projected a sharp increase in the demand for long term care services in South Dakota, driven by an increase in the number of individuals and disabled individuals over age 65. In particular, Abt Associates had previously anticipated an increase of roughly 100,000 elders between 2000 and 2025, paired with an increase of 50,000 or slightly fewer disabled elders over the same time period. The below graph shows actual population totals for 2000-2010 accompanied by updated population projections through the year 2035.

## Projections of South Dakota's Elderly and Disabled Population (2000-2035)

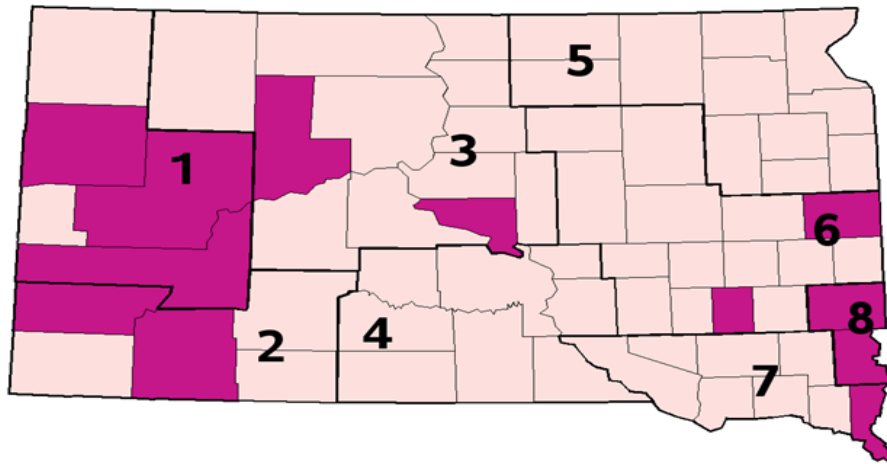


*Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data, 2010 and American Community Survey.*

Through the 2010 decennial Census, actual growth in the elderly and elderly disabled populations was somewhat lower than projections in the prior report. Accordingly, the South Dakota State Data Center has revised projected growth rates modestly downward since that time. Based on the 2015 report's revised estimates, Abt now projects that:

- The number of elders (over age 65) will increase by about 84 percent in the year 2035 relative to decennial Census totals in the year 2010, increasing by approximately 103,000 to 226,000.
- The number of disabled elders will peak in 2030, increasing by about 33,000 to 85,000, or 71 percent higher than the decennial Census year 2010 total; by 2035, this number will fall slightly as the relative proportion of younger elderly individuals (aged 65-74) increases in relation to the proportion of older elderly individuals (aged 75+).

**South Dakota Counties Where Elderly Population is Expected to Double from 2010 to 2035 (in Dark Pink)**

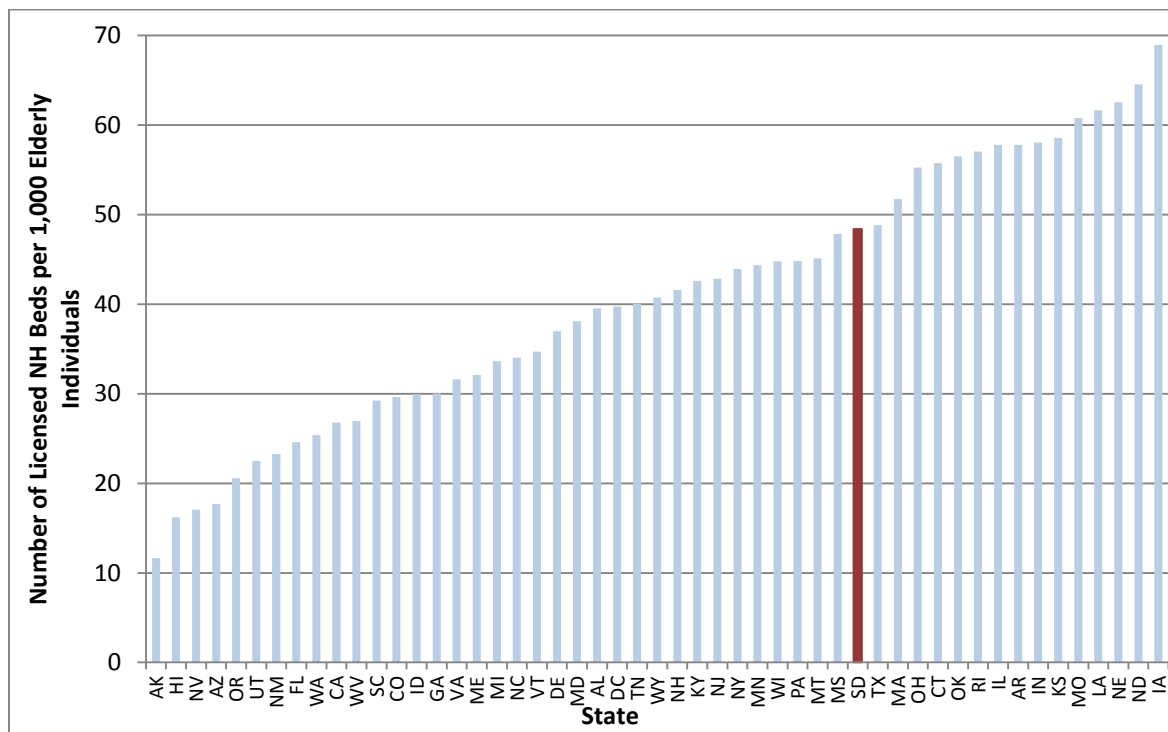


*Source: Abt Associates' analysis of South Dakota Data Center's Population Projections data.*

Local long term care services will be stressed both by growth in the numbers of seniors as well as by high rates of growth in demand for care. The above map highlights counties where the population of seniors is expected to more than double between 2010 and 2035. Overall, the geographic variation in growth rates across Economic Assistance Regions in this updated report is similar to that seen in the prior report.

Nursing home capacity and utilization rates have continued to drop both in South Dakota and nationwide since the release of the prior final report. In 2006, the most recent data available for the prior report, South Dakota ranked tenth in the nation in terms of nursing home capacity, with 61 licensed beds per 1,000 elders. By 2011, that number had dropped substantially to 48 licensed beds per 1,000 elders, sixteenth nationwide. Though South Dakota's capacity remains higher than national averages, the drop between 2006 and 2011 indicates that the gap is shrinking.

## National Comparison of State Nursing Home Capacity, 2011



**Source:** Abt Associates' analysis of Henry J. Kaiser Family Foundation's Nursing Home Beds data and American Community Survey data. South Dakota utilization rates appear in red.

The updated study identified that further efforts would be required to meet future demand for long term care services outside the nursing home setting. The report concluded that recent policy changes have successfully accelerated the decline in nursing home utilization, reducing the gap relative to national utilization rates. Assisted living utilization has increased in parallel; however, skilled Medicare home health and home and community-based services remain at similar, relatively low levels as noted in the 2007 report.

These results naturally lead to speculation on how the needs of individuals are being met in light of decreasing nursing home utilization without a correlating increase in the use of formal supports. South Dakota has done well in market penetration for private long term care insurance, potentially indicating one way in which South Dakotans are bridging the gap, and an increased use of informal supports by family and friends may also play a role.

The 2015 Updated Long Term Care Study concluded that the State must maintain its focus on rebalancing the long term services and supports system through: 1) continuing to utilize options counseling through the ADRC to educate consumers and families about community-based care alternatives, in attempts to reduce nursing home admissions; 2) continuing to expand and enhance the availability of home and community-based services and potentially State Plan-funded community-based care; and 3) exploration of the care preferences and knowledge base of elders and their caregivers, as well as gathering more information on the informal support networks that people are utilizing in lieu of seeking assistance from state programs.

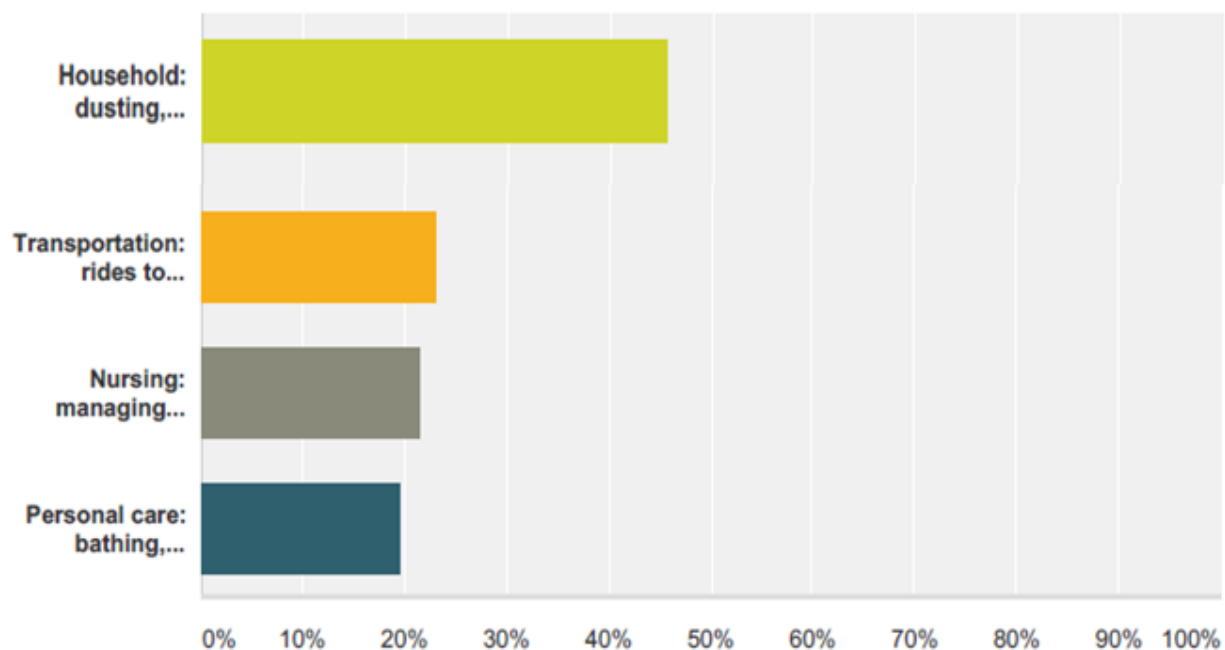
To review the “*Final Report 2015 Evaluating Long-Term Care Options for South Dakota: Update*”, refer to Attachment G

### Consumer Survey

Based on the conclusions of the 2015 study, a Consumer Survey was developed to identify service needs, awareness of services, and to determine what supports consumers were utilizing. 7,500 surveys were distributed via website, mailed to consumers, provided at outreach events and Senior Health Information and Insurance Education (SHIINE) meetings, nutrition sites and senior centers and sent to key stakeholders for distribution. Approximately 1000 responses were received.

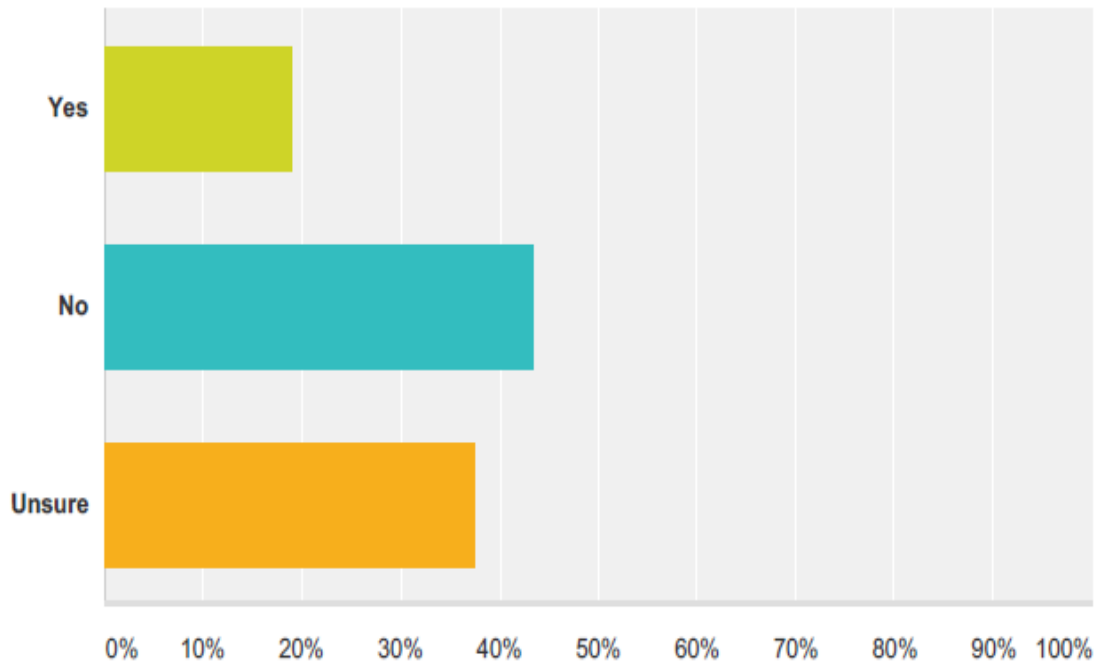
The consumer survey took place in July 2015 and revealed that 39% of respondents reported they were not currently receiving services to complete daily living activities. This response could be due to a number of reasons including but not limited to; truly not needing services to remain at home, lacking awareness of services available to support them staying home and increasing their health and safety, and some may not want or feel they need to access public services at this time. Almost 28% of these individuals indicated that at least one service listed would help them remain in their home. For the other 61% of survey respondents, the results showed that 51% receive household assistance such as vacuuming, doing dishes, cooking, laundry, and shopping; 24% get rides they need to appointments and community events; 24% receive nursing services for managing medications, monitoring health statuses, conducting physical assessments and providing routine care; and 20% benefit from personal care services such as bathing or dressing. Services provided were supported through Department programs, paid privately, or by informal supports through family and friends. When individuals receiving services were asked if they could remain at home without their current services, the majority (79%) responded no or that they were unsure. The results of the consumer survey response reflect a need for enhanced awareness of the supports that enable a person to remain safely and happily in their own home long term.

### Current In Home Assistance Received





## Without Services, I could Remain at Home



### ASA Home and Community Based Services Workgroup

The results of the Consumer Survey were used to inform next steps relative to the Adult Services and Aging Home and Community-Based Services (ASA HCBS) Workgroup that convened as a result of the Medicaid Solutions Workgroup and the 2015 updated study conclusions and the recommendation to expand and enhance home and community-based care. The ASA HCBS Workgroup's focus was on rebalancing the long term services and supports system across the continuum of care. Identified goals of this workgroup were to evaluate barriers to Medicare skilled home health utilization and increase availability of home and community-based services and supports. Stakeholders including in-home providers, long term care providers, government agencies, representatives of South Dakota Association of Healthcare Organizations, South Dakota Health Care Association, Advisory Council on Aging, legislators, and other interested parties met three times from May through August, 2015.

The ASA HCBS Workgroup had four recommendations. One recommendation was to provide education and training to health care practitioners regarding reimbursement availability for physician oversight of Medicare skilled home health services and support and education on the reimbursement request process.

A second recommendation of the Workgroup was to conduct additional research, including fiscal impact of expanding Home and Community-Based waiver services to include day habilitation, vehicle modifications, non-medical transportation, assistive technology, community transition services, chore services, and training and counseling services related to live in caregivers. The workgroup recommended that once the analysis was complete, the Department of Social Services should initiate the waiver application/approval process which must be approved by the Centers for Medicare and Medicaid Services (CMS). Additionally, an expansion of the waiver services would require an appropriation which must be approved by the legislature. In order to further analyze these services and determine how to prioritize implementation of the services, in-home providers and state department staff completed a survey.



This recommendation and follow up surveys of staff and providers resulted in proposed changes to the Home and Community-Based Services Waiver operated by the Division of Adult Services and Aging, now Long Term Services and Supports. The changes in the waiver renewal application included the addition of chore services; expansion of the specialized medical equipment definition to include assistive technology; increased maintenance needs allowance for in-home consumers to ensure consumers can meet their financial obligations and remain at home i.e. rent, utilities, etc.; and increased earned income allowance for consumers residing in an assisted living center by an additional \$75. The Department anticipates adding non-medical transportation services, vehicle modifications and community transition services through a waiver amendment in the future but further analysis will need to be completed.

The third recommendation of the Workgroup was to enhance awareness and understanding of the Aging and Disability Resource Connections (ADRC) process through presentations and education. Staff members continue to present information on ADRC Call Centers, information and referral, options planning services available, and assistance to access home and community-based services.

The final recommendation of the Workgroup was to review the current ADRC process, and work with home health providers and targeted consumer groups to ensure smooth transitions for individuals between hospital and home by enhancing the Hospital Discharge Referral Protocols that were developed by Adult Services and Aging (now Long Term Services and Supports) staff and the ADRC Workgroup Partners. As a result of this Workgroup recommendation, the ADRC Hospital Discharge Referral Protocol document was updated and shared with hospital and clinic staff to assist with the transition process. Additionally, effective FY 2017 in-home providers are required to communicate any hospitalization that they are aware of regarding an ASA consumer, to the Division of Long Term Services and Supports.

### **Long Term Services and Supports Enhancement Workgroup**

During the spring of 2016, the State of South Dakota convened a Long-Term Services and Supports Enhancement Workgroup to focus on the need to re-evaluate its Long-Term Services and Supports system. Staff in the Departments of Human Services, Social Services and Health held regular meetings to enhance and expand home and community-based services options, which will reduce the need for institutional services. South Dakota will continue its efforts to rebalance long term services and supports through providing the necessary services to serve individuals where they want to live and in the least restrictive environment possible. The State of South Dakota is prioritizing its efforts to implement a coordinated diversion effort to minimize new long term care resident admissions and transition current residents to the home and community.

### **Waiver Renewal**

In November, 2016, the Home and Community-Based Services Waiver Renewal Application was approved with a retroactive date of October 1, 2016. With the Waiver approval, several additional services including adult day services, adult companion services, specialized medical equipment, specialized medical supplies, nutritional supplements and nursing services became available to consumers who reside in an assisted living center. Additionally, consumers residing in an assisted living center who work are allowed to keep up to \$75 in addition to their personal needs allowance. Consumers who live at home are able to access assistive technology equipment and chore services such as lawn mowing and snow and ice removal from sidewalks and driveways. These services are based on assessed need and must be authorized by an Adult Services and Aging Specialist.

### **Workgroups with Public Testimony**

Recommendations from the Medicaid Solutions Workgroup, Adult Services and Aging Home and Community-Based Services Workgroup, Elder Abuse Task Force, and the 2017 Legislative Committees were also appropriately incorporated into the State Plan on Aging for FY2017 – FY2021. These meetings are all open to the public and advertised via news tips and on the Department's webpage. Members of the audience are provided an opportunity to comment and provide suggestions for future planning.

### **Legislative Interim Committees**

A 2016 Legislative Interim Committee convened to study payment methodologies for Medicaid providers. The scope of this Interim Committee was to assess existing payment methodologies for Medicaid providers to determine adequacy of payments that will provide for long term continuation of services and conclude with recommendations for any changes. The Payment Methodologies for Medicaid Providers Interim Study Committee did not adopt any legislation, but did make the following recommendations to report to the Legislature's Executive Board. For the 2017 Legislative Session, the Joint Committee on Appropriations should: 1) Identify dollars needed to sustain providers to continue to provide services; 2) Find potential funding for sustainability of programs; and 3) Realign expenditures to meet the short-term and long-term needs of the Medicaid population. In addition, when executive branch departments determine reimbursement rates for Medicaid, they should use 2015 cost reports and factor in the updated rule from the Fair Labor Standards Act.

Another 2016 Legislative Interim Committee convened to study regulation of nursing and assisted living beds. The scope of this Interim Committee was to study the benefits, merits, and negative impacts of regulating the number of nursing and assisted living beds in South Dakota and further recommend action that may include elimination of or revisions to regulations for the betterment of the South Dakota populace. The Committee reviewed and received public testimony on seven legislative drafts and voted to introduce five drafts. Legislation adopted by the Committee includes: 1) An Act to require the Department of Health and Department of Social Services to make an annual report to the Legislature regarding the condition of long-term health care in South Dakota. The proposed legislation would require both the Department of Health and Department of Social Services to provide a written report and testimony to the House and Senate Health and Human Services standing committees. 2) An Act to allow nursing facilities to transfer or sell nursing bed capacity. The proposed legislation would allow for a nursing facility to transfer nursing bed capacity to another facility. A licensed facility may also sell nursing bed capacity to another facility. The legislation also provides that any transferred or purchased beds must be licensed within twenty-four months of the transfer or sale by the receiving facility, have a minimum level of Medicaid census and be involved in home and community-based care. 3) An Act to revise the review for additional nursing facilities or nursing facility beds and to require a report to the Legislature. The proposed legislation requires the Department of Health and Department of Social Services to annually consider the need for additional nursing facilities and beds. The legislation also provides for the Department of Health and Department of Social Services to report to the standing committees of Health and Human Services and report on the additional redistribution of health facility beds and additional new nursing facilities. 4) An Act to allow for the redistribution of unused nursing facility bed capacity. The proposed legislation allows any nursing facility to use any unused bed capacity by July 1, 2018 or the unused bed capacity reverts back to the Department of Health. A nursing facility has until July 1, 2023 to submit a proposal to use all or a portion of the unused bed capacity previously held by the nursing facility. 5) An Act to establish a program to assist nursing facilities and assisted living facilities in recruiting certain health care personnel. The proposed legislation provides for a program to assist nursing and assisted living facilities in recruiting

registered nurses, licensed nurses, nurse aides, and medication aides. No more than sixty registered nurses, licensed nurses, nurse aides, and medication aides can participate in the program each year. The legislation also provides for an incentive payment which would give ten thousand dollars to licensed and registered nurses, five thousand dollars to nurse aides and two thousand-five hundred dollars to medication aides.

### **Provider Capacity Workgroup**

The Departments of Social Services, Human Services and Health have worked together leading the effort to enhance long term services and supports in South Dakota. As part of this effort, a Provider Capacity Workgroup convened in February, 2017 to look at provider capacity challenges in South Dakota. The purpose of the workgroup is to find solutions that will ensure South Dakotans who are elderly or disabled receive services in the most integrated and least restrictive community setting and have a choice of providers and services that provide meaningful outcomes.

### **Reorganization and Creation of the Division of Long Term Services and Supports**

During the 2017 Legislative Session, Governor Dugaard signed an Executive Order to create the Division of Long Term Services and Supports within the Department of Human Services. The Division of Adult Services and Aging, the State Unit on Aging, within the Department of Social Services and Assistive Daily Living Services Program within the Division of Vocational Rehabilitation in the Department of Human Services were combined into the new Division of Long Term Services and Supports. This reorganization was effective April, 2017. This transition created a more integrated approach to long term services and supports delivery in South Dakota. Demographic changes in future years will result in significant increases to the elder and disabled elder populations. Today, people with physical disabilities who need state assistance with long term services and supports receive services through the Department of Human Services. People with age-related or other qualifying disabilities get assistance from the Department of Social Services. Combining these services into one Department helps ensure that people can best access long term services in their homes and communities, regardless of why they need the services or what type of disability they have. Additionally, this change aligns services available for individuals, and helps facilitate continued development of community-based services for people in our state, benefiting the citizens of South Dakota.

Through a series of workgroups and other initiatives, South Dakota has identified challenges facing the state in upcoming years. We have taken, and continue to take steps toward the goal of meeting those challenges. South Dakota will continue to work with providers to enhance available services for individuals in community settings. Monitoring of numbers related to consumers on waived services, Money Follows the Person initiative, state-funded assistance programs, and nursing facility utilization, will provide evidence of the state's commitment to meeting the identified goals. South Dakota will continue the effort to expand and enhance existing home and community-based services to ensure services are comprehensive and meet the needs of elderly citizens in South Dakota.

The State of South Dakota is committed to assuring older South Dakotans receive a seamless, comprehensive service system, responsive to their individual needs and preferences. This State Plan on Aging will serve as a roadmap and guide for the State of South Dakota to embrace a long term services and supports system that ensures elders and adults with disabilities are provided with the necessary services and supports to allow them to live where they choose and in the least restrictive environment possible. These services and supports will be provided throughout the continuum of care to assist older South Dakotans and adults with disabilities to live to their full potential.

### **State Plan Available on Website**

In preparation for the 2017 –2021 State Plan on Aging, the Division of Long Term Services and Supports sought comments to the State Plan on Aging which ends September 30, 2017 by posting the 2013 –2017 version on the website following approval by the US Department of Health and Human Services Office of the Assistant Secretary, Administration on Aging. The State Plan on Aging is available on the Department's website and the public has been encouraged to provide comments and suggestions for future planning. A draft of the 2017 – 2021 State Plan on Aging was also made available on the Department's website and the public was again encouraged to provide comments and suggestions to help frame the State Plan on Aging.